

AMENDED IN ASSEMBLY APRIL 19, 2001

AMENDED IN ASSEMBLY APRIL 16, 2001

AMENDED IN ASSEMBLY MARCH 27, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 1138

Introduced by Assembly Member La Suer

February 23, 2001

An act to add and repeal Section 63025.3 of the Government Code, relating to infrastructure development.

LEGISLATIVE COUNSEL'S DIGEST

AB 1138, as amended, La Suer. Infrastructure development: low-interest loans.

The existing Bergeson-Peace Infrastructure and Economic Development Bank Act establishes the California Infrastructure and Economic Development Bank within state government with a board of directors having prescribed duties. Existing law authorizes the bank board to make secured loans and undertake related activities for the purpose of financing projects, as defined, that relate to economic development and infrastructure improvements, including, but not limited to, utilities and power facilities.

This bill would authorize until January 1, 2007, the bank board to make a low-interest loan to a sponsor or a participating party, as defined, for costs associated with the repowering, as defined, of existing peak demand electrical powerplant facilities or for the planning, design, construction, and startup of peak demand powerplant facilities of up to 150 megawatts, subject to specified conditions. The bill would declare

the intent of the Legislature to provide incentives to repower existing powerplant facilities for peak demand periods and provide for construction and startup of new peak demand powerplant facilities in California.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Beginning in the summer of 2000 and continuing to the
4 present, the State of California has experienced unprecedented
5 energy shortages, which have contributed to enormous increases
6 in the prices paid for electricity in California's wholesale power
7 market and by all ratepayers.

8 (b) These sudden and severe energy shortages threaten the
9 health and safety of all California citizens, weaken the vital nature
10 of the high-technology economy which is exclusive to this state,
11 reduce the productivity of the state's farming ~~community~~ and
12 *small business communities*, and disrupt the education of the
13 children of the state.

14 (c) Because it is likely that serious shortages of electricity will
15 continue until sufficient additional generation capacity is installed
16 and operational, which could require several years, it is the intent
17 of the Legislature in enacting this act to facilitate the long-term
18 well-being of the citizens of this state by providing an incentive for
19 businesses to invest in electrical generation by making private
20 projects eligible for financing from the California Infrastructure
21 and Economic Development Bank.

22 (d) It is further the intent of the Legislature in enacting this act
23 to provide an incentive for the purposes of repowering existing
24 electrical powerplant facilities for peak demand periods and to
25 plan and design construction and startup of peak demand
26 powerplant facilities so they may expand their business and
27 simultaneously assist in producing and supplying electricity to the
28 consumers of this state.

29 SEC. 2. Section 63025.3 is added to the Government Code to
30 read:



63025.3. (a) In addition to other powers set forth in this division, the bank board may make a low-interest loan to a sponsor or a participating party for either of the following:

(1) Costs associated with the repowering of any existing powerplant facilities generating electrical power during peak demand periods.

(2) Costs associated with the planning, design, construction, and startup of powerplant facilities for the generation of electrical power of up to 150 megawatts that are intended to operate only during peak demand periods.

(b) Loans made pursuant to this section shall be subject to the following conditions:

(1) The sponsor or participating party is a ~~business licensed and headquartered in this state~~ *public entity*.

(2) The sponsor or participating party shall agree to give the Department of Water Resources, California electrical corporations, municipal corporations, irrigation districts, or other public electric utility districts a right of first refusal to purchase any electricity produced by the powerplant facility for which the loan is made.

(3) The powerplant facility for which the loan is made is not or shall not be diesel *or nuclear* operated.

(4) The electrical power generated by the powerplant facility for which the loan is made shall be used exclusively within the state.

(5) The loan amount shall not exceed 75 percent of the total cost of the project.

(c) For purposes of this section, “powerplant facility” means an electric transmission line, thermal powerplant, wind generating facility, hydroelectric electrical generating facility, or solar electrical generating facility.

(d) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.